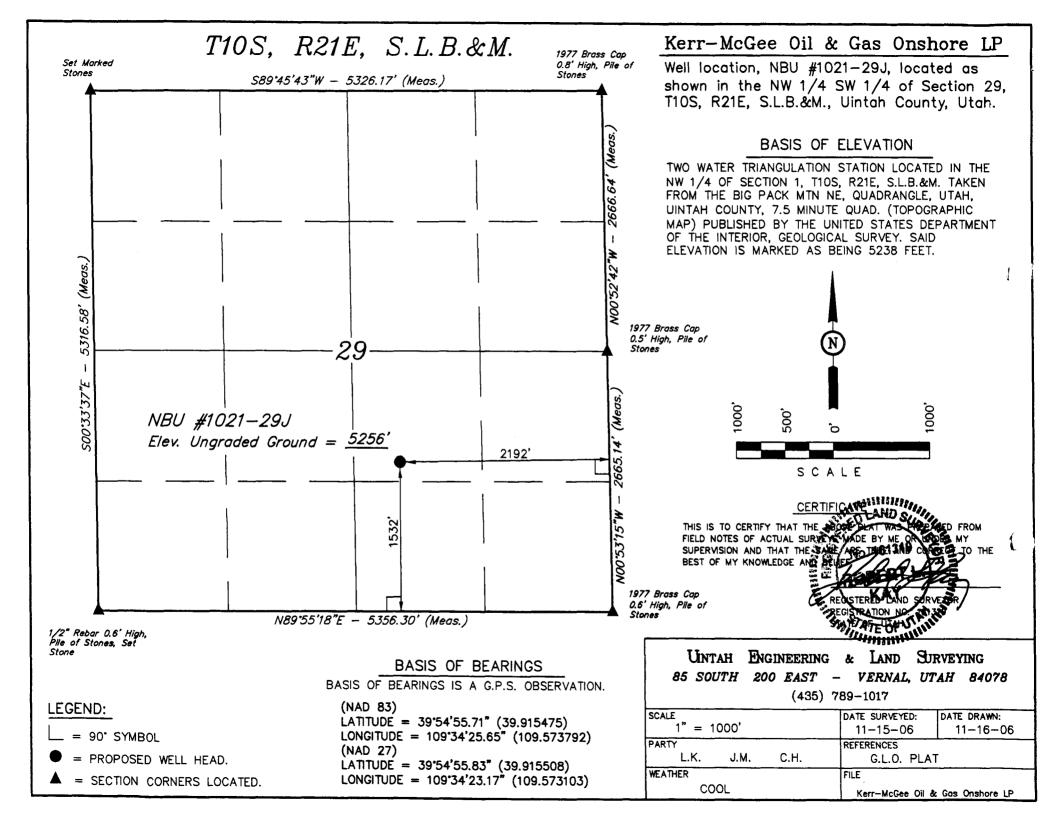
STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

AMENDED REPORT	
(highlight changes)	

FORM 3

		APPLICAT	ION FOR	PERMIT TO	DRILL		5. MINERAL LEASE NO: ML-21330	6. SURFACE: State	
1A. TYPE OF WO	1A. TYPE OF WORK: DRILL REENTER DEEPEN . 7. IF INDIAN, ALLOTTEE OR TRIBE NAME:								
B. TYPE OF WE	B. TYPE OF WELL: OIL GAS OTHER SINGLE ZONE MULTIPLE ZONE UNIT #891008900A								
2. NAME OF OPERATOR: KERR McGEE OIL & GAS ONSHORE L.P. 9. WELL NAME and NUMBER: NBU 1021-29J								:	
3. ADDRESS OF 1368 S 120		r: 7024	10. FIELD AND POOL, OR WI						
	WELL (FOOTAGE	•	621954	TE UT ZIP 84	39, 91554	3	11. QTR/QTR, SECTION, TOV MERIDIAN:		
	4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1532'FSL, 2192'FEL AT PROPOSED PRODUCING ZONE: 4. LOCATION OF WELL (FOOTAGES) 4. 21954X 39, 915549 11. QTRIQTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 29 10S 21E								
	PRODUCING ZO				109.5 10112				
		OF OURAY	REST TOWN OR PO	ST OFFICE:			12. COUNTY: UINTAH	13. STATE: UTAH	
		PERTY OR LEASE L	<u> </u>	16. NUMBER O	F ACRES IN LEASE:	17. N	UMBER OF ACRES ASSIGNED	TO THIS WELL:	
1532'						0.00		40.00	
APPLIED FOR	O NEAREST WELL R) ON THIS LEASE O TOPO C	. (DRILLING, COMP E (FEET)	LETED, OR	19. PROPOSED			B0005237		
_ : :=: =: :	• • • • •	R DF, RT, GR, ETC):	22. APPROXIM	ATE DATE WORK WILL START:		STIMATED DURATION:		
5256'GL									
24.			PROPOS	ED CASING A	ND CEMENTING PROG	RAM			
SIZE OF HOLE	CASING SIZE,	GRADE, AND WEIG	HT PER FOOT	SETTING DEPTH	CEMENT 1	PE, QUANTITY,	YIELD, AND SLURRY WEIGHT		
12 1/4"	9 5/8	H-40	32.3#	1,800	265 SX CLASS G	1.18 Y	TELD 15.6 PPG		
7 7/8"	4 1/2	I-80	11.6#	9,210	1950 SX 50/50 POZ	1.31 Y	TELD 14.3 PPG		
									
							· · · · · · · · · · · · · · · · · · ·		
			<u> </u>	 					
25.				ATTA	CHMENTS				
VERIFY THE FOL	LOWING ARE AT	FACHED IN ACCOR	DANCE WITH THE U	JTAH OIL AND GAS C	ONSERVATION GENERAL RULES:				
✓ WELL PL	AT OR MAP PREF	ARED BY LICENSE	D SURVEYOR OR E	NGINEER	COMPLETE DRILLING	3 PLAN			
V EVIDENC	CE OF DIVISION O	F WATER RIGHTS	APPROVAL FOR US	E OF WATER	FORM 5, IF OPERATO	OR IS PERSON C	R COMPANY OTHER THAN TH	E LEASE OWNER	
	,				1,	 			
NAME (PLEASE	PRINT) SHEIL	A UPCHEG	0		TITLE SENIOR	LAND AD	MIN SPECIALIST		
SIGNATURE	Mu	KM	Uhrel	90	DATE 1/23/200				
(This space for Sta	te use only)		U		Approved by the Utah Division of	,	RECE	IVED	
					Oil, Gas and Mini	ng			
API NUMBER AS	SIGNED:	43-047-	39012		APPROVAL:		FEB 02	2007	
				Dat	e: 05-23-18	7	DIV. OF OIL, GA	S & MINING	

(11/2001)



NBU 1021-29J NW/SE SEC. 29, T10S, R21E UINTAH COUNTY, UTAH ML-21330

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. Estimated Tops of Important Geologic Markers:

Formation	<u>Depth</u>
Uinta	0- Surface
Green River	1003'
Top of Birds Nest Water	1243'
Mahogany	1786'
Wasatch	4184'
Mesaverde	7060'
MVU2	8043'
MVL1	8543'
TD	9210'

2. Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:

Substance	<u>Formation</u>	<u>Depth</u>
	Green River	1003'
Water	Top of Birds Nest Water	1243'
	Mahogany	1786'
Gas	Wasatch	4184'
Gas	Mesaverde	7060'
Gas	MVU2	8043'
Gas	MVL1	8543'
Water	N/A	
Other Minerals	N/A	

3. <u>Pressure Control Equipment</u> (Schematic Attached)

Please refer to the attached Drilling Program.

4. <u>Proposed Casing & Cementing Program:</u>

Please refer to the attached Drilling Program.

5. **Drilling Fluids Program:**

Please refer to the attached Drilling Program.

6. <u>Evaluation Program</u>:

Please refer to the attached Drilling Program.

7. **Abnormal Conditions**:

Maximum anticipated bottomhole pressure calculated at 9210' TD, approximately equals 5710 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3684 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. Anticipated Starting Dates:

Drilling is planned to commence immediately upon approval of this application.

9. <u>Variances:</u>

Please refer to the attached Drilling Program.

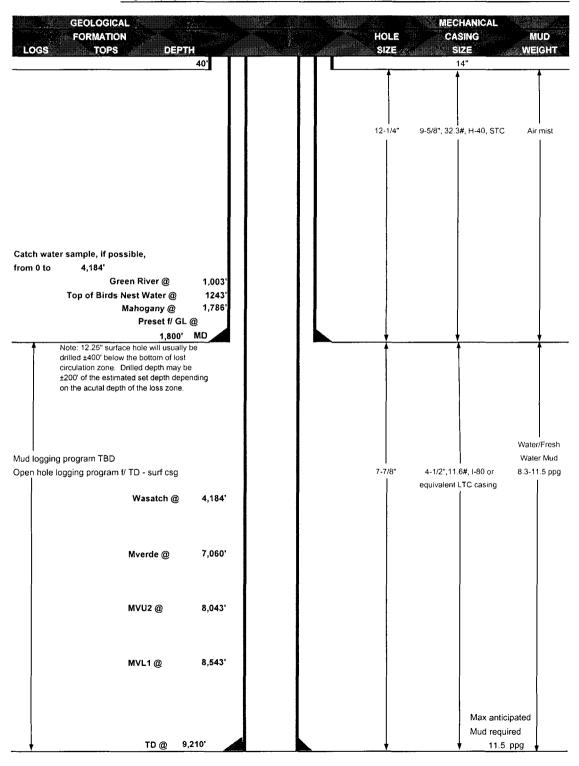
10. Other Information:

Please refer to the attached Drilling Program.



KERR-McGEE OIL & GAS ONSHORE LP DRILLING PROGRAM

COMPANY N	Y NAME KERR-McGEE OIL & GAS ONSHORE LP DATE January 23, 2007								
WELL NAME	: Ĩ	NBU 1021-29J			TD	9,210'	MD/TVD		
FIELD I	Natural Buttes	COUN	TY Uintah	STATE	Utah	ELEVATION	5,256' GL	K	3 5,271'
SURFACE LOCATION		NW/SE SEC. 29, T	10S, R21E 1532	FSL, 219	2'FEL			BHL	Straight Hole
		Latitude: 39.915	5475 Longitu	ude: 109	9.573792				
OBJECTIVE	ZONE(S)	Wasatch/Mesaverd	e		_				
ADDITIONAL INFO Regulatory Agencies: UDOGM (SURF & MINERALS), BLM, Tri-County Health Dept.									





KERR-McGEE OIL & GAS ONSHORE LP

DRILLING PROGRAM

CASING PROGRAM

									ESIGN FACT	ORS
	SIZE	IN	TERV	4L	WT.	GR.	CPLG.	BURST	COLLAPSE	TENSION
CONDUCTOR	14"		0-40'							
							[2270	1370	254000
SURFACE	9-5/8"	0	to	1800	32.30	H-40	STC	0.65*****	1.63	4.99
								7780	6350	201000
PRODUCTION	4-1/2"	0	to	9210	11.60	I-80	LTC	2.23	1.15	2.16

- 1) Max Anticipated Surf. Press.(MASP) (Surface Casing) = (Pore Pressure at next csg point-(0.22 psi/ft-partial evac gradient x TVD of next csg point)
- 2) MASP (Prod Casing) = Pore Pressure at TD (.22 psi/ft-partial evac gradient x TD)

(Burst Assumptions: TD =

11.5 ppg)

.22 psi/ft = gradient for partially evac wellbore

(Collapse Assumption: Fully Evacuated Casing, Max MW)

(Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)

MASP

3481 psi

Burst SF is low but csg is much stronger than formation at 2000'. EMW @ 2000' for 2270# is 21.8 ppg or 1.13 psi/ft

CEMENT PROGRAM

	FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE LEAD	500	Premium cmt + 2% CaCl	215	60%	15.60	1.18
Option 1		+ .25 pps flocele				
TOP OUT CMT (1)	200	20 gals sodium silicate + Premium cmt	50		15.60	1.18
		+ 2% CaCl + .25 pps flocele				
TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
SURFACE	ĮĒ.	NOTE: If well will circulate water to s	urface, opt	tion 2 will b	e utilized	
Option 2 LEAD	1500	Prem cmt + 16% Gel + 10 pps gilsonite	170	35%	11.00	3.82
		+.25 pps Flocele + 3% salt BWOC				
TAIL	500	Premium cmt + 2% CaCl 180		35%	15.60	1.18
		+ .25 pps flocele				
ТОР ООТ СМТ	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
•						
PRODUCTION LEAD	3,680'	Premium Lite II + 3% KCI + 0.25 pps	400	60%	11.00	3.38
		celloflake + 5 pps gilsonite + 10% gel				ĺ
		+ 0.5% extender				
TAIL	5,530'	50/50 Poz/G + 10% salt + 2% gel	1550	60%	14.30	1.31
		+.1% R-3				

^{*}Substitute caliper hole volume plus 0% excess for LEAD if accurate caliper is obtained

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.	
PRODUCTION	Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint to top of tail cement with bow spring centralizers.	

ADDITIONAL INFORMATION

DRILLING

Test casing head to 75	Dipsi after installing. Test surface casing to 1,500 psi prior to drilling out.
BOPE: 11" 5M with on-	e annular and 2 rams. Test to 5,000 psi (annular to 2,500 psi) prior to drilling out. Record on chart recorder &
tour sheet. Function te	st rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper
& lower kelly valves.	
Drop Totco surveys eve	ery 2000'. Maximum allowable hole angle is 5 degrees.
Most rigs have PVT Sy	stems for mud monitoring. If no PVT is available, visual monitoring will be utilized.
ENGINEER:	DATE:
	Brad Laney

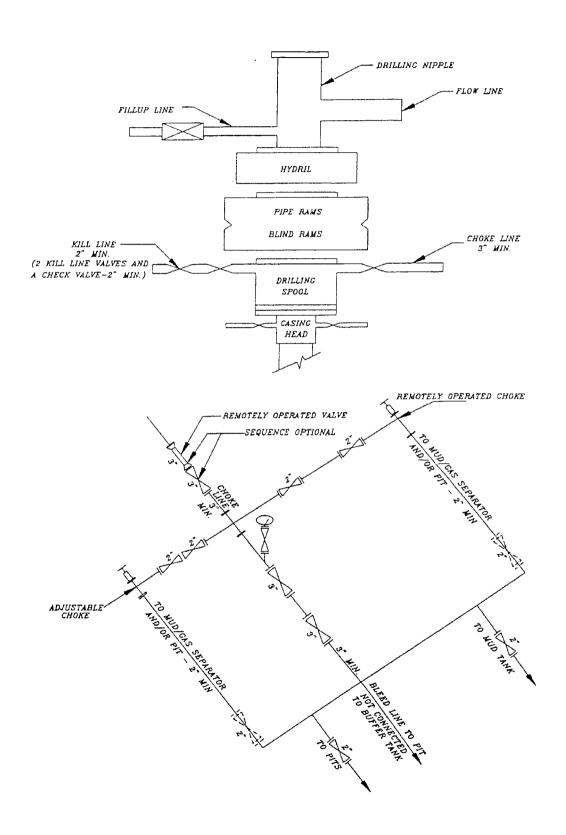
DATE:

DRILLING SUPERINTENDENT: Randy Bayne

NBU1021-29J DHD.xls

^{*}Substitute caliper hole volume plus 10% excess for TAIL if accurate caliper is obtained

5M BOP STACK and CHOKE MANIFOLD SYSTEM



NBU 1021-29J NW/SE SEC. 29, T10S, R21E Uintah County, UT ML-21330

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads:

Refer to Topo Map A for directions to the location.

Refer to Topo Maps A and B for location of access roads within a 2-mile radius.

Refer to Topo Maps A and B for location of access roads within a 2 mile radius.

All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.

2. Planned Access Roads:

Approximately 60' +/- of new access road is proposed. Refer to Topo Map B for the location of the proposed access road.

The upgraded and new portions of the access road will be crowned and ditched with a running surface of 18 feet and a maximum disturbed width of 30 feet. Appropriate water control will be installed to control erosion.

Existence of pipelines; maximum grade; turnouts; major cut and fills, culverts, or bridges; gates, cattle guards, fence cuts, or modifications to existing facilities were determined at the on-site.

The access road was centerline flagged during time of staking.

Surfacing material may be necessary, depending upon weather conditions.

Surface disturbance and vehicular traffic will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.

3. Location of Existing Wells Within a 1-Mile Radius:

Please refer to Topo Map C.

4. <u>Location of Existing & Proposed Facilities:</u>

The following guidelines will apply if the well is productive.

All production facilities will be located on the disturbed portion of the well pad and at a minimum of 25 feet from the toe of the back slope or the top of the fill slope.

A dike will be constructed completely around those production facilities which contain

fluids (i.e., production tanks, produced water tanks, and/or heater/treater). These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank, and be independent of the back cut.

All permanent (on-site six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the five state Rocky Mountain Inter-Agency Committee.

All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The required color is Carlsbad Canyon, standard color number 2.5Y 6/2.

Any necessary pits will be properly fenced to protect livestock and prevent wildlife entry.

Approximately 30' +/- of 4" pipeline is proposed from the location to a tie-in point. Refer to Topo Map D.

5. Location and Type of Water Supply:

Water for drilling purposes will be obtained from Dalbo Inc.'s underground well located in Ouray, Utah, Sec. 32, T4S, R3E, Water User Claim #43-8496, Application #53617.

Water will be hauled to location over the roads marked on Maps A and B.

No water well is to be drilled on this lease.

6. Source of Construction Materials:

Surface and subsoil materials in the immediate area will be utilized.

Any gravel will be obtained from a commercial source.

7. Methods of Handling Waste Materials:

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids, including salts and chemicals, will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated.

The reserve pit will be constructed on the location and will not be located within natural drainage, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break, or allow discharge of liquids.

A plastic reinforced liner and felt will be used, it will be a minimum of 20 mil thick, with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with

dirt and/or rocks to hold it in place. No trash or scrap that could puncture the liner will

be disposed of in the pit.

Any spills of oil, gas, salt water, or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.

A chemical porta-toilet will be furnished with the drilling rig.

Garbage, trash, and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. No trash will be burned on location.

All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig.

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

Any produced water from the proposed well will be contained in a water tank and will then be hauled By truck to one of the pre-approved disposal sites: RNI, Sec. 5, T9S, R22E, NBU #159, Sec. 35, T9S, R21E, Ace Oilfield, Sec. 2, T6S, R20E, MC&MC, Sec. 12, T6S, R19E.

8. Ancillary Facilities:

None are anticipated.

9. Well Site Layout: (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

The reserve pit will be lined, and when the reserve pit is closed, the pit liner will be buried below plow depth.

All pits will be fenced according to the following minimum standards:

39 inch net wire will be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

The net wire shall be no more than two inches above the ground. The barbed wire shall be three inches over the net wire. Total height of the fence shall be at least 42 inches.

Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet.

All wire shall be stretched, by using a stretching device, before it is attached to corner posts.

The reserve pit fencing will be on three sides during drilling operations, and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.

Location size may change prior to the drilling of the well due to current rig availability. If the proposed location is not large enough to accommodate the drilling rig the location will be re-surveyed and a Form 9 shall be submitted.

10. Plans for Reclamation of the Surface:

Producing Location:

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, materials, trash, and debris not required for production.

Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.

A plastic, nylon reinforced liner will be used, it shall be torn and perforated before backfilling of the reserve pit.

Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and spoil materials will be disposed of immediately upon completion of operations.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 90 days from the date of well completion, weather permitting.

To prevent surface water (s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface three feet above surrounding ground surface to allow the reclaimed pit area to drain effectively.

Upon completion of backfilling, leveling, and recontouring, the stockpiled topsoil will be spread evenly over the reclaimed area(s).

Dry Hole/Abandoned Location:

Abandoned well sites, roads, and other disturbed areas will be restored as near as practical to their original condition. Where applicable, these conditions include the re-establishment of irrigation systems, the re-establishment of appropriate soil conditions, and re-establishment of vegetation as specified.

All disturbed surfaces will be recontoured to the approximate natural contours, with reclamation of the well pad and access road to be performed as soon as practical after final abandonment.

Reseeding operations will be performed after completion of other reclamation operations.

11. Surface Ownership:

SITLA 675 East 500 South, Suite 500 Salt Lake City, UT 84102

12. Other Information:

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, the approved Plan of Operations, and any applicable Notice of Lessees. The Operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

The Operator will control noxious weeds along Rights-Of-Way for roads, pipelines, well sites, or other applicable facilities.

A Class III archaeological survey will be submitted when report becomes available.

This location is not within 460' from the boundary of the Natural Buttes Unit, nor is it within 460' of any non-committed tract lying within the boundaries of the Unit.

13. Lessee's or Operators's Representative & Certification:

Sheila Upchego Senior Land Admin Specialist Kerr-McGee Oil & Gas Onshore LP 1368 South 1200 East. Vernal, UT 84078 (435) 781-7024 Randy Bayne Drilling Manager Kerr-McGee Oil & Gas Onshore LP 1368 South 1200 East Vernal, UT 84078 (435)781-7018

Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Kerr-McGee Oil & Gas Onshore LP is considered to be the operator of the subject well. Kerr-McGee Oil & Gas Onshore LP agrees to be responsible under terms and conditions of the lease for the operations conducted upon leased lands.

Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by State Surety Bond #RLB0005237.

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by the Operator, its contractors, and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

Sheila Upchego

1/23/2007

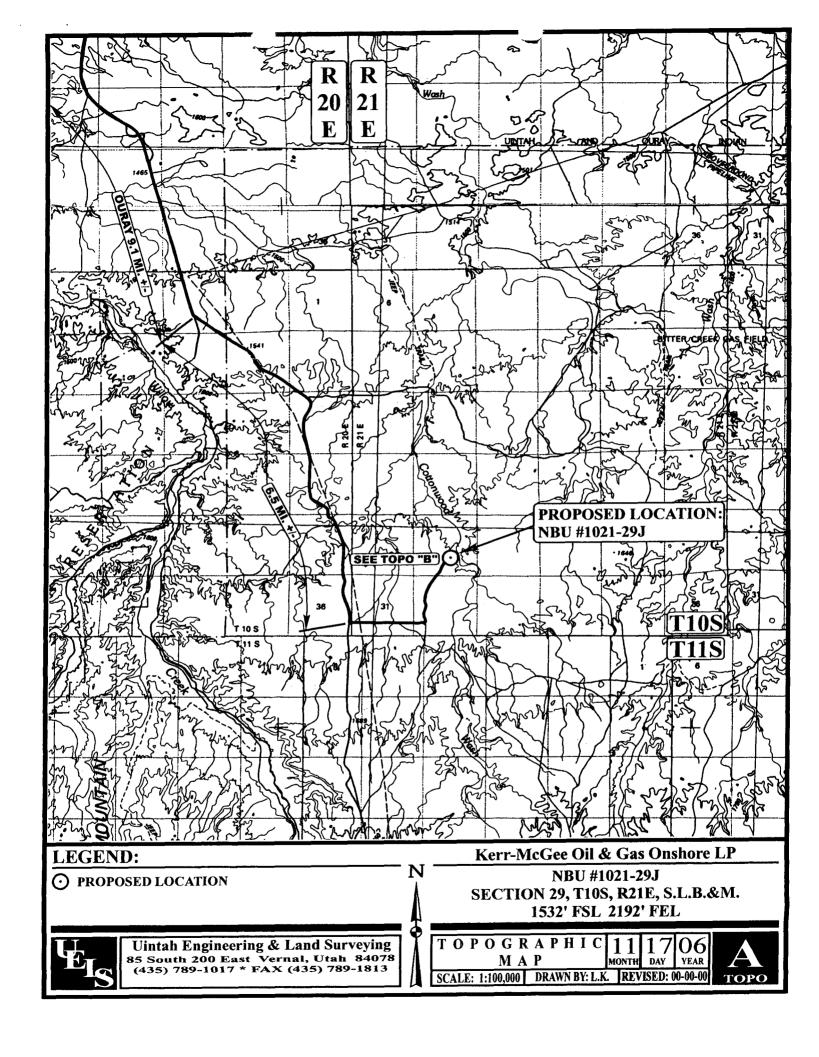
Date

Kerr-McGee Oil & Gas Onshore LP

NBU #1021-29J SECTION 29, T10S, R21E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; TURN LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 15.6 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 1.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN LEFT AND PROCEED IN A NORTHERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 1.2 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTHEAST; FOLLOW ROAD FLAGS IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 60' TO THE PROPOSED LOCATION.

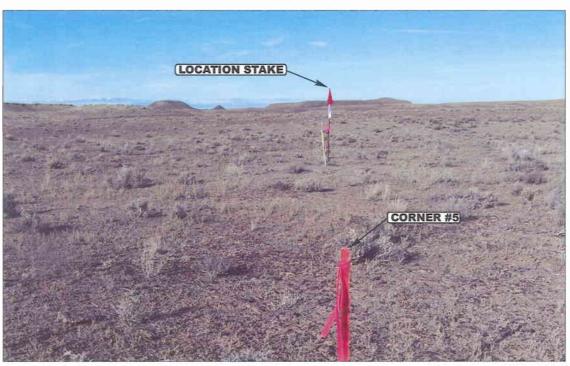
TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 49.1 MILES.



Kerr-McGee Oil & Gas Onshore LP

NBU #1021-29J

LOCATED IN UINTAH COUNTY, UTAH SECTION 29, T10S, R21E, S.L.B.&M.



CAMERA ANGLE: NORTHERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: EASTERLY

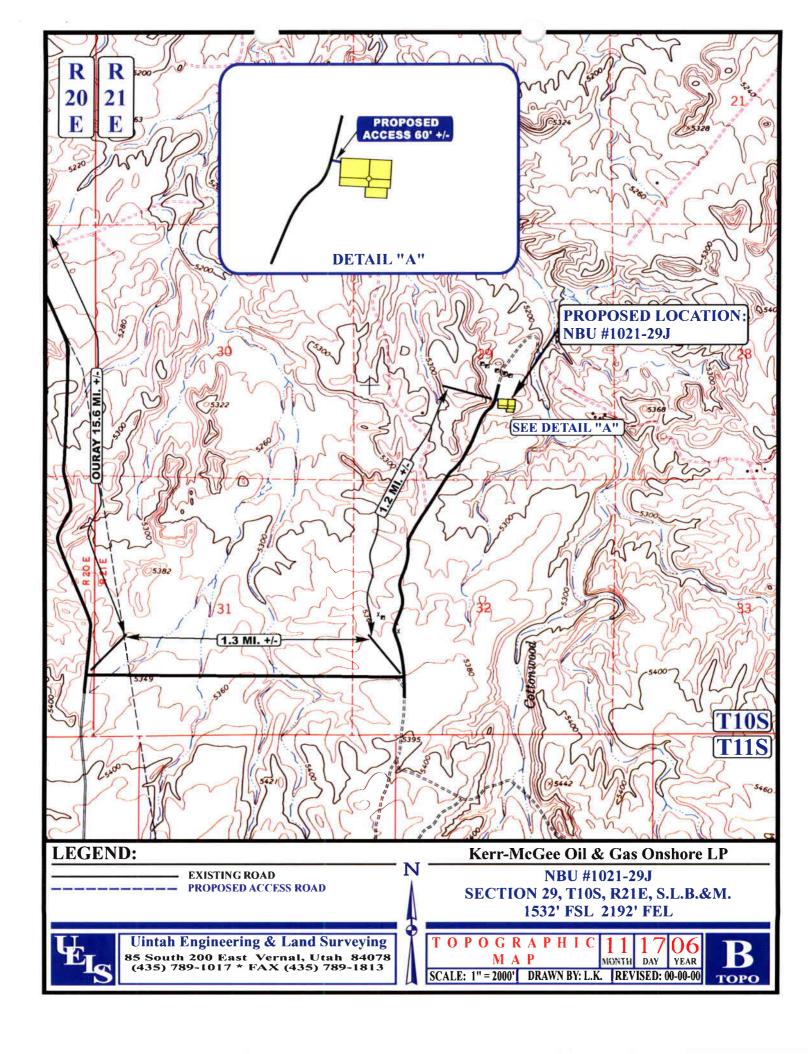


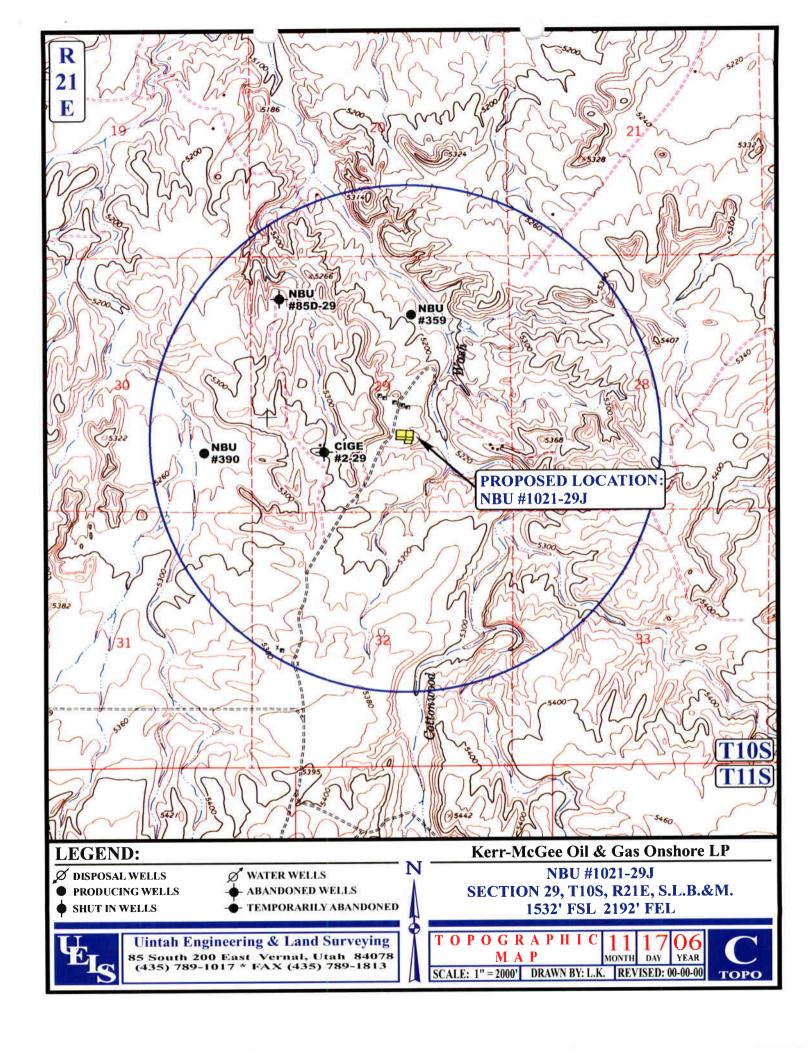
Uintah Engineering & Land Surveying 85 South 200 East Vernal, Utah 84078 435-789-1017 vels@uelsinc.com

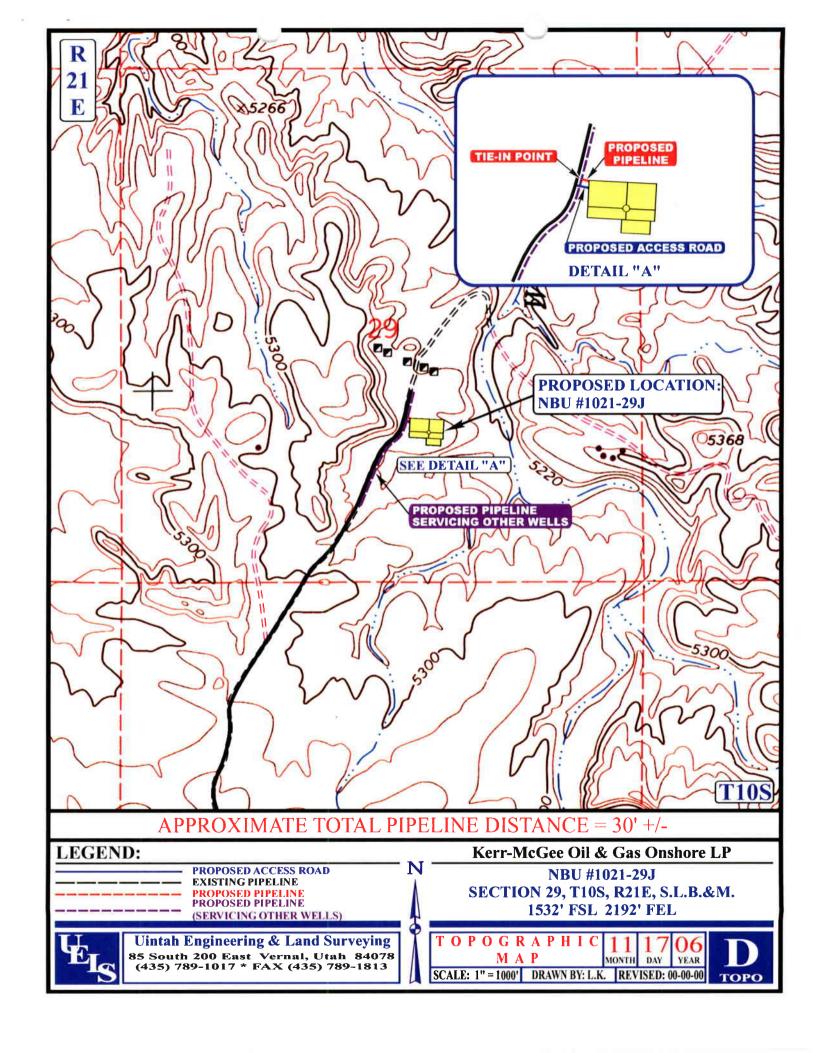


MONTH DAY YEAR TAKEN BY: L.K. | DRAWN BY: L.K. | REVISED: 00-00-00

РНОТО







Kerr-McGee Oil & Gas Onshore LP NBU #1021-29J PIPELINE ALIGNMENT

LOCATED IN UINTAH COUNTY, UTAH **SECTION 29, T10S, R21E, S.L.B.&M.**

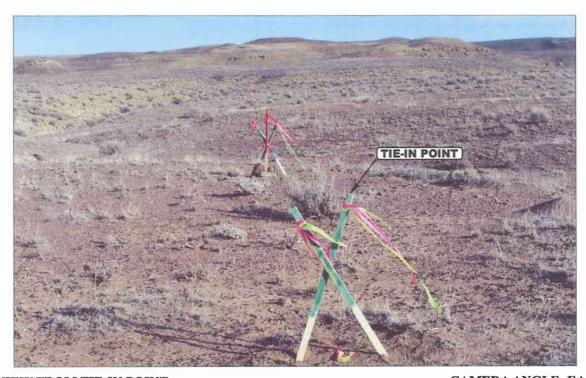
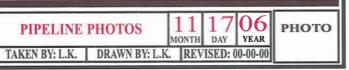
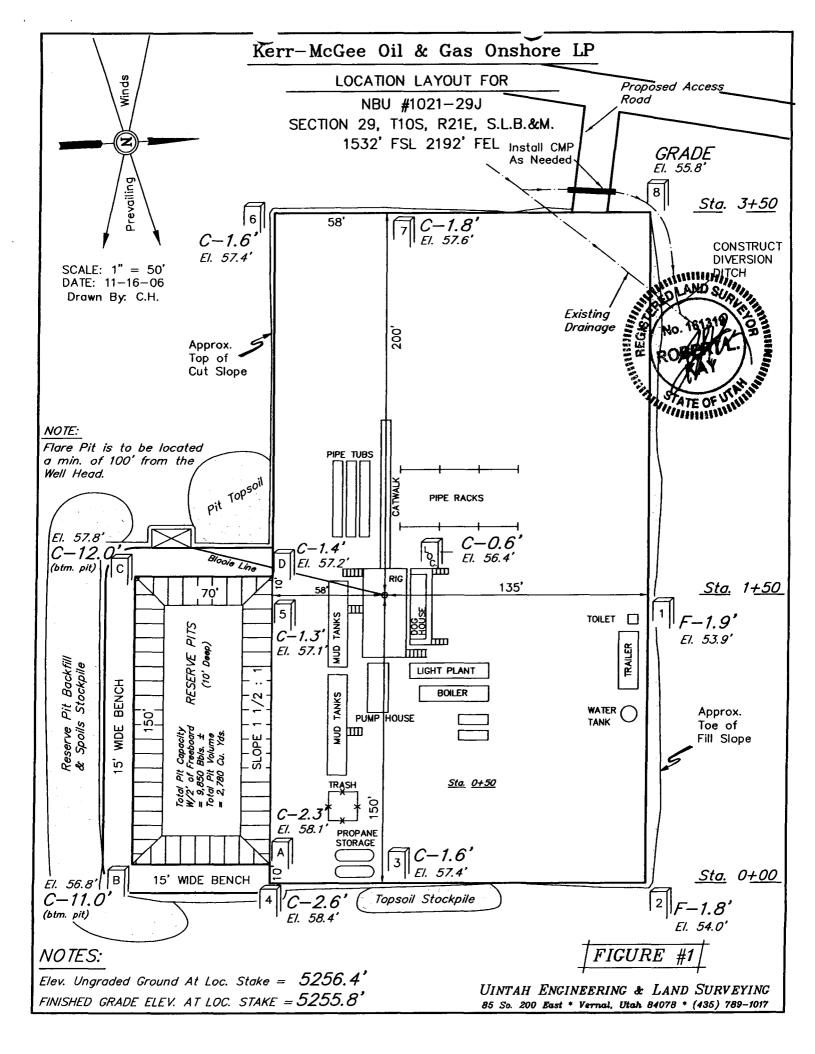


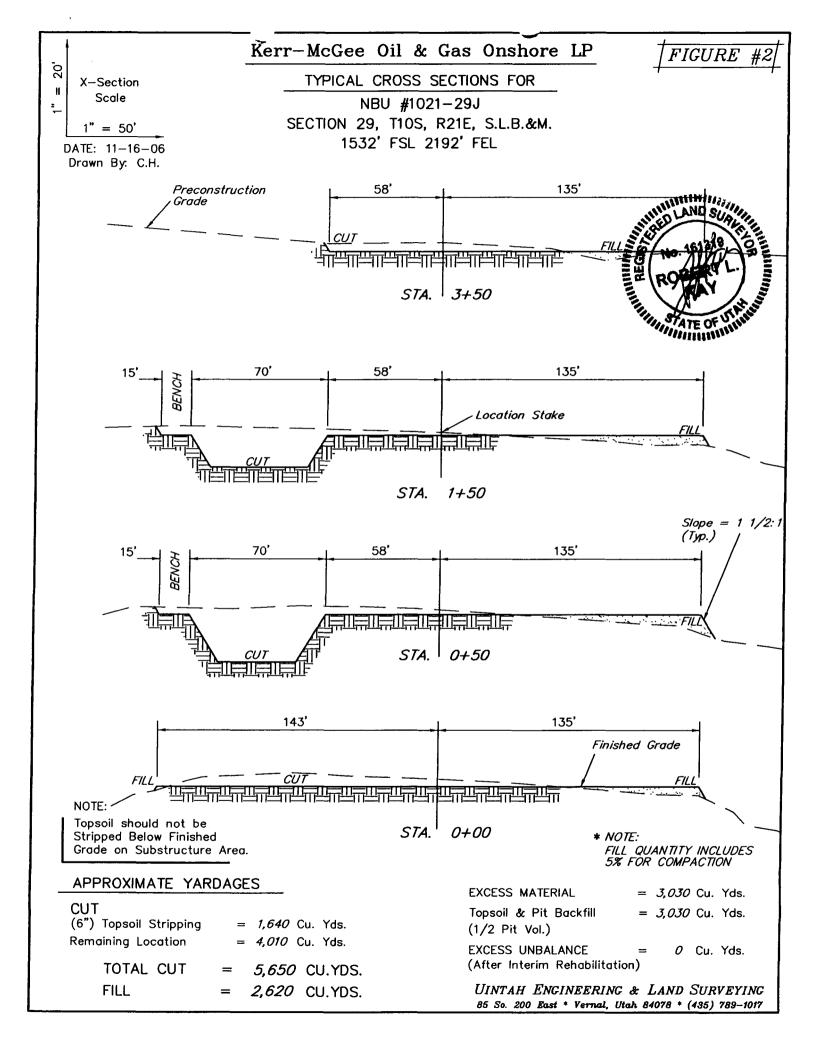
PHOTO: VIEW FROM TIE-IN POINT

CAMERA ANGLE: EASTERLY



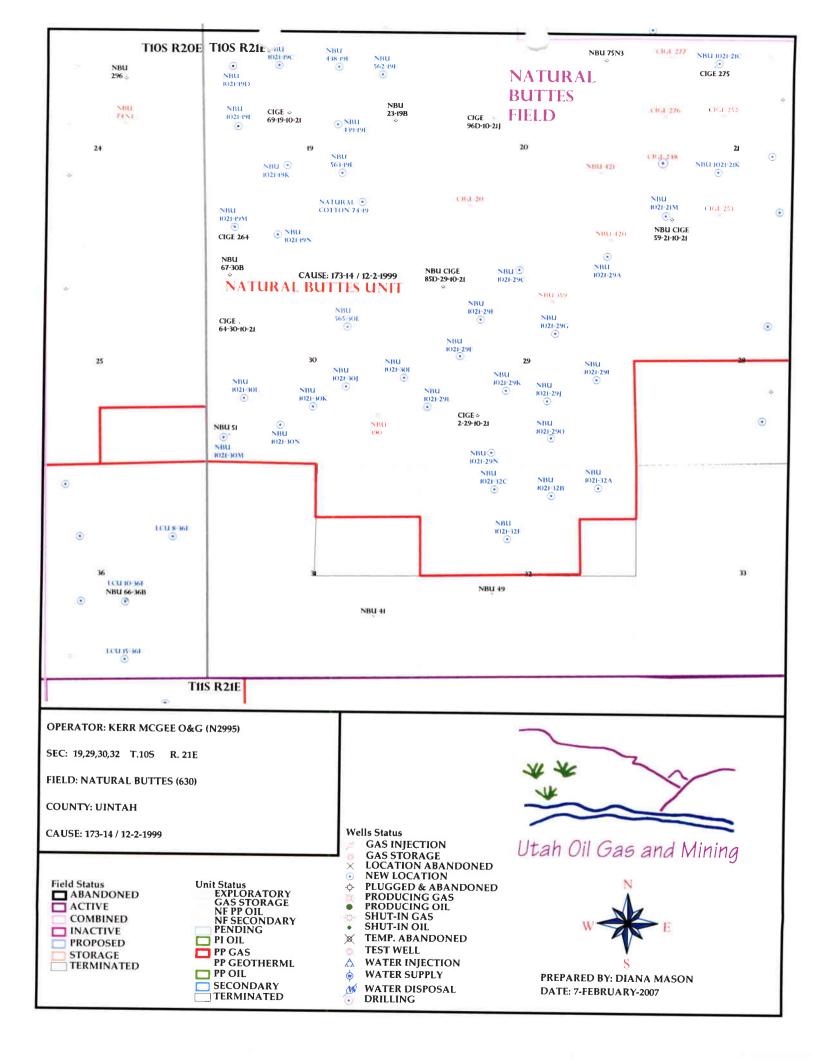






WORKSHEET APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 02/02/2007	API NO. ASSIGNED: 43-047-39012					
WELL NAME: NBU 1021-29J OPERATOR: KERR-MCGEE OIL & GAS (N2995 CONTACT: SHEILA UPCHEGO	PHONE NUMBER: 435-781-7024					
PROPOSED LOCATION:	INSPECT LOCATN BY: / /					
NWSE 29 100S 210E SURFACE: 1532 FSL 2192 FEL	Tech Review Initials Date					
BOTTOM: 1532 FSL 2192 FEL	Engineering Dan 2/2740					
COUNTY: UINTAH LATITUDE: 39.91555 LONGITUDE: -109.5731	Geology					
UTM SURF EASTINGS: 621954 NORTHINGS: 4419	Surface					
FIELD NAME: NATURAL BUTTES (630 LEASE TYPE: 3 - State LEASE NUMBER: ML-21330 SURFACE OWNER: 3 - State	PROPOSED FORMATION: WSMVD COALBED METHANE WELL? NO					
Plat Bond: Fed[] Ind[] Sta[] Fee[] (No. 22013542) Potash (Y/N) Oil Shale 190-5 (B) or 190-3 or 190-13 Water Permit (No. 43-8496) PDCC Review (Y/N) (Date:) A/# Fee Surf Agreement (Y/N) Intent to Commingle (Y/N)	LOCATION AND SITING: R649-2-3. Unit: NATURAL BUTTES R649-3-2. General Siting: 460 From Qtr/Qtr & 920' Between WellsR649-3-3. Exception Drilling Unit Board Cause No: 173.14 Eff Date: 13.2/964 Siting: 4466 for 12 bar Challenger TrackR649-3-11. Directional Drill					
COMMENTS: Necas Prant						
	NOT OF BASIS HALE Csg Cout-step					



Application for Permit to Drill Statement of Basis

2/21/2007

238

Utah Division of Oil, Gas and Mining

Page 1

No

S

APD No API WellNo Status Well Type Surf Ownr CBM

GW

Operator KERR-MCGEE OIL & GAS ONSHORE, LP Surface Owner-APD

Well Name NBU 1021-29J Unit

43-047-39012-00-00

Field UNDESIGNATED Type of Work

Location NWSE 29 10S 21E S 0 F L 0 F L GPS Coord (UTM) 621954E 4419149N

Geologic Statement of Basis

Kerr McGee proposes to set 1,800' of surface casing at this location. The depth to the base of the moderately saline water at this location is estimated to be at a depth of 4,300'. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the center of Section 29. The surface formation at this site is the Uinta Formation. The Uinta Formation is made up of interbedded shales and sandstones. The sandstones are mostly lenticular and discontinuous and should not be a significant source of useable ground water. Production casing cement should be brought up above the base of the moderately saline ground water to isolate it from fresher waters uphole.

Brad Hill 2/21/2007
APD Evaluator Date / Time

Surface Statement of Basis

The general area is within the Cottonwood Wash Drainage. The area is characterized by rolling hills and benches, which are frequently intersected by somewhat gentle draws, which flow into Cottonwood Wash. The draws are occasionally rimed with steep side hills, which have exposed sand stone bedrock cliffs along the rims. Cottonwood Wash is an ephemeral drainage, which drains northerly approximately 11 miles to the White River. No seeps, springs or streams exist in the area.

This location is approximately 18 miles southeast of Ouray, Ut. and is accessed by the Seep Ridge Road then by existing or planned oil field development roads to within approximately 60 feet of the site, which will require new construction.

The proposed location is fit on a small flat between draws to the north and south. Old gilsonite veins are located to the north. Ridge to the west has exposed bedrock ledges. A small drainage transects the northwest corner of the location and will be diverted around using a culvert if necessary on the access road.

Both the surface and minerals are owned by SITLA. Jim Davis represented SITLA at the pre-site investigation. Mr. Davis had no concerns pertaining to this location. The selected location appears to be the best site for drilling and operating a well in the immediate area.

Floyd Bartlett 2/13/2007
Onsite Evaluator Date / Time

Conditions of Approval / Application for Permit to Drill

Category Condition

Pits A synthetic liner with a minimum thickness of 20 mils with a felt subliner shall be

properly installed and maintained in the reserve pit.

Surface Drainages adjacent to the proposed pad shall be diverted around the location.

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator KERR-MCGEE OIL & GAS ONSHORE, LP

Well Name NBU 1021-29J

API Number 43-047-39012-0 APD No 238 Field/Unit UNDESIGNATED

Location: 1/4,1/4 NWSE Sec 29 Tw 10S Rng 21E 0 FL 0 FL

GPS Coord (UTM) 621957 4419149 Surface Owner

Participants

Floyd Bartlett (DOGM), Jim Davis (SITLA), Carroll Estes, Tony Kznick, and Clay Einerson (Kerr McGee), David Kay (Uintah Engineering and Land Surveying), and Ben Williams (UDWR)

Regional/Local Setting & Topography

The general area is within the Cottonwood Wash Drainage. The area is characterized by rolling hills and benches, which are frequently intersected by somewhat gentle draws, which flow into Cottonwood Wash. The draws are occasionally rimed with steep side hills, which have exposed sand stone bedrock cliffs along the rims. Cottonwood Wash is an ephemeral drainage, which drains northerly approximately 11 miles to the White River. No seeps, springs or streams exist in the area.

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Surface Use Plan

Current Surface Use

Grazing

Recreational

Wildlfe Habitat

New Road

Miles Well Pad Src Const Material Surface Formation

0.01 Width 278 Length 350 Onsite UNTA

Ancillary Facilities N

Waste Management Plan Adequate? Y

Environmental Parameters

Affected Floodplains and/or Wetland N

Flora / Fauna

Snow covered the vegetation on the area. Identifiable vegetation consisted of shadscale, halogeton and horsebrush. Vegetation is sparse.

Antelope, cattle, rabbits, coyotes, and small mammals, birds and raptors

Soil Type and Characteristics

Moderately deep sandy loam.

Erosion Issues N

Sedimentation Issues N

Site Stability Issues N

Drainage Diverson Required Y

Around northwest corner.

Berm Required? N

Erosion Sedimentation Control Required? N

Paleo Survey Run? Y Paleo Potental Observed? N Cultural Survey Run? Y Cultural Resources? N

Reserve Pit

Site-Specific Factors		Site 1	Ranking	
Distance to Groundwater (feet)	>200		0	
Distance to Surface Water (feet)	>1000		0	
Dist. Nearest Municipal Well (ft)	>5280		0	
Distance to Other Wells (feet)	300 to 1320		10	
Native Soil Type	Mod permeability		10	
Fluid Type	Fresh Water		5	
Drill Cuttings	Normal Rock		0	
Annual Precipitation (inches)	<10		0	
Affected Populations	<10		0	
Presence Nearby Utility Conduits	Not Present		0	
		Final Score	25	1 Sensitivity Level

Characteristics / Requirements

The proposed reserve pit is 70' x 150' x 10' deep located in a cut on the south east corner of the location. A 20 mil liner with a felt sub-liner is planned by Kerr McGee.

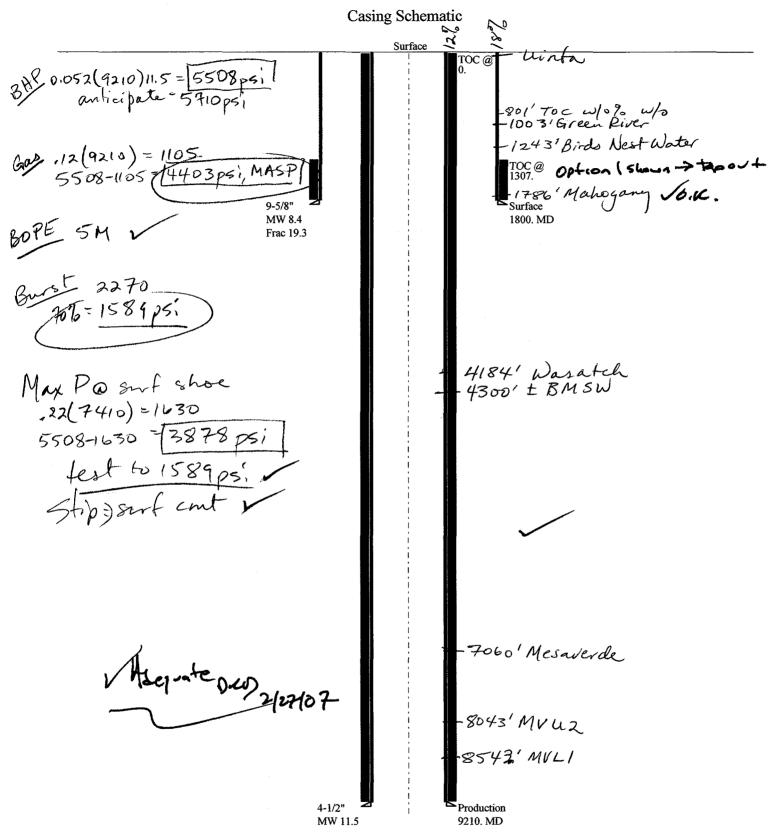
Closed Loop Mud Required? N Liner Required? Y Liner Thickness 20 Pit Underlayment Required? Y

Other Observations / Comments

Ben Williams representing the UDWR stated the area is classified as yearlong critical habitat for antelope. He stated that the lack of water not forage is the limiting factor affecting the herd in the area. He recommended no restrictions for antelope. No other wildlife is expected to be significantly affected. He gave Jim Davis of SITLA and Carroll Estes of Kerr McGee a copy of his wildlife evaluation and a UDWR recommended seed mix to be used when re-vegetating the location.

The area was covered with snow. ATV's were used to access the site.

Floyd Bartlett 2/13/2007
Evaluator Date / Time



Well name:

Design parameters:

Mud weight:

2007-02 Kerr McGee NBU 1021-29J

Operator:

Kerr McGee Oil & Gas Onshore L.P.

Surface

Project ID:

String type:

Design is based on evacuated pipe.

43-047-39012

Location:

Collapse

Uintah County, Utah

Minimum design factors: **Environment:**

Collapse:

Design factor 1.125 H2S considered?

No Surface temperature: 75 °F 100 °F Bottom hole temperature:

1.40 °F/100ft Temperature gradient: Minimum section length: 1,500 ft

Burst:

Design factor

8 Round LTC:

1800

1.00

Cement top:

1,307 ft

Burst

Max anticipated surface

No backup mud specified.

pressure: Internal gradient: 1,584 psi

8.400 ppg

Calculated BHP

0.120 psi/ft 1,800 psi

Tension: 8 Round STC:

1.744

Buttress: Premium:

1.50 (B) Body vield:

1.60 (J) 1.50 (J)

1.80 (J)

1.80 (J)

Tension is based on buoyed weight. Neutral point:

1,578 ft

1.26

Re subsequent strings:

Non-directional string.

Next setting depth: Next mud weight:

11.500 ppg Next setting BHP: 5,502 psi

254

Fracture mud wt: Fracture depth: Injection pressure:

51

19.250 ppg 1,800 ft 1.800 psi

4.98 J

9,210 ft

True Vert Run Segment Nominal End Measured Drift Internal Seq Length Size Weight Grade **Finish** Depth Depth Diameter Capacity (lbs/ft) (ft) (in) (ft) (ft) (in) (ft³) 1800 9.625 32.30 1 H-40 ST&C 1800 1800 8.876 795.3 Run Collapse Collapse Collapse **Burst Burst Burst Tension Tension Tension** Seq Load Strength Design Load Strength Design Load Strength Design (psi) (psi) **Factor** Factor (psi) (psi) (Kips) (Kips) **Factor** 785 1370

2270

Prepared

Helen Sadik-Macdonald

Div of Oil, Gas & Minerals

Phone: (801) 538-5357 FAX: (801) 359-3940

Date: February 22,2007 Salt Lake City, Utah

Remarks:

1

Collapse is based on a vertical depth of 1800 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Well name:

2007-02 Kerr McGee NBU 1021-29J

Operator:

Kerr McGee Oil & Gas Onshore L.P.

String type:

Production

Project ID:

43-047-39012

Location:

Collapse

Uintah County, Utah

Minimum design factors:

Collapse:

H2S considered?

Environment:

No

Design factor 1.125 Surface temperature: Bottom hole temperature:

75 °F 204 °F

Temperature gradient: Minimum section length: 1,500 ft

Non-directional string.

1.40 °F/100ft

Burst:

Design factor

1.00

Cement top:

Surface

Burst

Max anticipated surface

pressure:

Design parameters:

Mud weight:

3,476 psi 0.220 psi/ft

11.500 ppg

Internal gradient: Calculated BHP 5,502 psi

Design is based on evacuated pipe.

No backup mud specified.

8 Round LTC:

Tension:

8 Round STC: 1.80 (J) 1.80 (J) **Buttress:** 1.60 (J) Premium: 1.50 (J) 1.50 (B) Body yield:

Tension is based on buoyed weight. Neutral point: 7,627 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	9210	4.5	11.60	1-80	LT&C	9210	9210	3.875	803.7
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	5502	6360	1.156	5502	`7780	1.41	` 88 ´	212	2.40 J

Prepared

Helen Sadik-Macdonald Div of Oil, Gas & Minerals Phone: (801) 538-5357 FAX: (801) 359-3940

Date: February 22,2007 Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 9210 ft, a mud weight of 11.5 ppg The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

United States Department of the Interior

BUREAU OF LAND MANAGEMENT Utah State Office P.O. Box 45155

Salt Lake City, Utah 84145-0155

IN REPLY REFER TO: 3160 (UT-922)

February 7, 2007

Memorandum

To:

Assistant District Manager Minerals, Vernal District

From:

Michael Coulthard, Petroleum Engineer

Subject:

2007 Plan of Development Natural Buttes Unit Uintah

County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2007 within the Natural Buttes Unit, Uintah County, Utah.

API#

WELL NAME

LOCATION

(Proposed PZ Wasatch/MesaVerde)

43-047-39004 NBU 1021-19C Sec. 19 T. 10S R. 21E 0620 FNL 1904 FWL 43-047-39005 NBU 1021-19D Sec. 19 T. 10S R. 21E 0637 FNL 0755 FWL 43-047-39006 NBU 1021-19E Sec. 19 T. 10S R. 21E 2146 FNL 0879 FWL 43-047-39007 NBU 1021-19K Sec. 19 T. 10S R. 21E 2181 FSL 2092 FWL 43-047-39008 NBU 1021-19N Sec. 19 T. 10S R. 21E 0462 FSL 1845 FWL 43-047-39009 NBU 1021-29L Sec. 29 T. 10S R. 21E 1398 FSL 0190 FWL 43-047-39010 NBU 1021-29O Sec. 29 T. 10S R. 21E 0615 FSL 2115 FEL 43-047-39011 NBU 1021-29N Sec. 29 T. 10S R. 21E 0250 FSL 1764 FWL 43-047-39012 NBU 1021-29J Sec. 29 T. 10S R. 21E 1532 FSL 2192 FEL 43-047-39013 NBU 1021-29K Sec. 29 T. 10S R. 21E 1804 FSL 2143 FWL 43-047-39014 NBU 1021-29I Sec. 29 T. 10S R. 21E 2060 FSL 0962 FEL 43-047-39015 NBU 1021-29G Sec. 29 T. 10S R. 21E 2090 FNL 1960 FEL 43-047-39016 NBU 1021-29F Sec. 29 T. 10S R. 21E 1718 FNL 1529 FWL 43-047-39017 NBU 1021-29E Sec. 29 T. 10S R. 21E 2635 FNL 1010 FWL 43-047-39018 NBU 1021-29C Sec. 29 T. 10S R. 21E 0476 FNL 2501 FWL 43-047-39019 NBU 1021-29A Sec. 29 T. 10S R. 21E 0170 FNL 0627 FEL 43-047-39020 NBU 1021-30I Sec. 30 T. 10S R. 21E 2131 FSL 0387 FEL 43-047-39021 NBU 1021-30J Sec. 30 T. 10S R. 21E 1901 FSL 1827 FEL 43-047-39022 NBU 1021-30K Sec. 30 T. 10S R. 21E 1398 FSL 2686 FWL 43-047-39023 NBU 1021-30L Sec. 30 T. 10S R. 21E 1602 FSL 0980 FWL 43-047-39024 NBU 1021-30M Sec. 30 T. 10S R. 21E 0612 FSL 0462 FWL

Page 2

```
43-047-39025 NBU 1021-30N Sec. 30 T. 10S R. 21E 0942 FSL 1876 FWL 43-047-39026 NBU 1021-32A Sec. 32 T. 10S R. 21E 0646 FNL 0955 FEL 43-047-39027 NBU 1021-32B Sec. 32 T. 10S R. 21E 0837 FNL 2117 FEL 43-047-39028 NBU 1021-32C Sec. 32 T. 10S R. 21E 0664 FNL 1840 FWL 43-047-39029 NBU 1021-32F Sec. 32 T. 10S R. 21E 1909 FNL 2165 FWL 43-047-39001 NBU 1021-01G Sec. 01 T. 10S R. 21E 2660 FSL 1765 FEL 43-047-39002 NBU 1021-01O Sec. 01 T. 10S R. 21E 0245 FSL 2619 FEL 43-047-39003 NBU 1021-01P Sec. 01 T. 10S R. 21E 0888 FSL 1309 FEL 43-047-39030 NBU 1022-18A Sec. 18 T. 10S R. 22E 1007 FNL 0512 FEL 43-047-39031 NBU 1022-24I Sec. 24 T. 10S R. 22E 2045 FSL 1166 FEL 43-047-39033 NBU 1022-25B Sec. 25 T. 10S R. 22E 0403 FNL 1971 FEL 43-047-39033 NBU 1022-25H Sec. 25 T. 10S R. 22E 2604 FNL 0825 FEL
```

Our records indicate the NBU 1022-25H is closer than 460 feet from the Natural Buttes Unit boundary (approximately 36 feet).

We have no objections to permitting the wells so long as the unit operator receives an exception to the locating and siting requirements of the State of Utah (R649-3-2).

/s/ Michael L. Coulthard

bcc: File – Natural Buttes Unit
Division of Oil Gas and Mining
Central Files
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:2-7-07

From: Ed Bonner
To: Mason, Diana
Date: 5/22/2007 5:05 PM
Subject: Well Clearance

CC: Davis, Jim; Garrison, LaVonne; Hill, Brad; Hunt, Gil

The following wells have been given cultural resources clearance by the Trust Lands Cultural Resources Group:

Dominion Exploration & Production, Inc LCU 5-36F (API 43 047 38785)

Gasco Production Company State 21-32B (API 43 047 39170)

State 22-32A (API 43 047 39171)

State 21-32A (API 43 047 39172)

Kerr McGee Oil & Gas Onshore LP

NBU 1021-29L (API 43 047 39009)
NBU 1021-29O (API 43 047 39010)
NBU 1021-29N (API 43 047 39011)
NBU 1021-29J (API 43 047 39012)
NBU 1021-29K (API 43 047 39013)
NBU 1021-29I (API 43 047 39014)

NBU 1021-29G (API 43 047 39015)

NBU 1021-29F (API 43 047 39016)

NBU 1021-29E (API 43 047 39017)

NBU 1021-29C (API 43 047 39018)

NBU 1021-29A (API 43 047 39019) NBU 1021-29P (API 43 047 39110)

Royale Energy, Inc

Trail Canyon 1-1 (API 43 019 31531) Trail Canyon 2-1 (API 43 019 31532)

XTO Energy, Inc

State of Utah 18-7-1-13 (API 43 015 30694)

If you have any questions regarding this matter please give me a call.



Department of Natural Resources

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR. Governor

GARY R. HERBERT Lieutenant Governor

May 23, 2007

Kerr McGee Oil & Gas Onshore LP 1368 S 1200 E Vernal, UT 84078

Re: Natural Buttes Unit 1021-29J Well, 1532' FSL, 2192' FEL, NW SE, Sec. 29, T. 10 South, R. 21 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-39012.

Sincerely,

Gil Hunt Associate Director

Tilket

pab Enclosures

cc: Uintah County Assessor

SITLA

Bureau of Land Management, Vernal Office

Operator:	Kerr McGee Oil & Gas Onshore LP	
Well Name & Number	Natural Buttes Unit 1021-29J	
API Number:	43-047-39012	
Lease:	ML-21330	

Location: NW SE Sec. 29 T. 10 South R. 21 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following action during drilling of this well:

- 24 hours prior to cementing or testing casing contact Dan Jarvis
- 24 hours prior to testing blowout prevention equipment contact Dan Jarvis
- 24 hours prior to spudding the well contact Carol Daniels
- Within 24 hours of any emergency changes made to the approved drilling program contact Dustin Doucet
- Prior to commencing operations to plug and abandon the well contact Dan Jarvis

The operator is required to get approval from the Division of Oil, Gas and Mining before performing any of the following actions during the drilling of this well:

- Plugging and abandonment or significant plug back of this well contact Dustin Doucet
- Any changes to the approved drilling plan contact Dustin Doucet

The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voice mail message if the person is not available to take the call):

• Dan Jarvis at: (801) 538-5338 office

(801) 942-0873 home

Carol Daniels at: (801) 538-5284 office
Dustin Doucet at: (801) 538-5281 office

(801) 733-0983 home

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

- 4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.
- 5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)
- 6. Surface casing shall be cemented to the surface.
- 7. In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.

STATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES

D	IVISION OF OIL, GAS AND MI	NING	5. LEASE DESIGNATION AND SERIAL NUMBER: ST ML 21330
SUNDRY	NOTICES AND REPORTS	S ON WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA
Do not use this form for proposals to drill new drill horizontal later	wwells, significantly deepen existing wells below curn rals. Use APPLICATION FOR PERMIT TO DRILL for	rent bottom-hole depth, reenter plugged we orm for such proposals.	7. UNIT or CA AGREEMENT NAME: Natural Buttes Unit
1. TYPE OF WELL OIL WELL	GAS WELL 🗹 OTHER_		8. WELL NAME and NUMBER: NBU 1021-29J
2. NAME OF OPERATOR: Kerr-McGee Oil & Gas Ons	horo I D		9. API NUMBER: 4304739012
3. ADDRESS OF OPERATOR:		PHONE NUMBER:	10. FIELD AND POOL, OR WILDCAT:
	Denver STATE CO ZIP	80217-3779 (720) 929-62	Natural Buttes Field
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1532' FS	SL & 2192' FEL		соинту: Uintah
QTR/QTR, SECTION, TOWNSHIP, RANGE			STATE: UTAH
11. CHECK APPRO	OPRIATE BOXES TO INDICAT	E NATURE OF NOTICE,	REPORT, OR OTHER DATA
TYPE OF SUBMISSION		TYPE OF ACTION	
NOTICE OF INTENT (Submit in Duplicate)	ACIDIZE	DEEPEN	REPERFORATE CURRENT FORMATION
Approximate date work will start:	ALTER CASING CASING REPAIR	FRACTURE TREAT NEW CONSTRUCTION	SIDETRACK TO REPAIR WELL TEMPORARILY ABANDON
	CHANGE TO PREVIOUS PLANS	OPERATOR CHANGE	TUBING REPAIR
	CHANGE TUBING	PLUG AND ABANDON	VENT OR FLARE
SUBSEQUENT REPORT	CHANGE WELL NAME	PLUG BACK	WATER DISPOSAL
(Submit Original Form Only)	CHANGE WELL STATUS	PRODUCTION (START/RESUME)	WATER SHUT-OFF
Date of work completion:	COMMINGLE PRODUCING FORMATIONS	RECLAMATION OF WELL SITE	✓ OTHER: APD Extension
<u></u>	CONVERT WELL TYPE	RECOMPLETE - DIFFERENT FOR	MATION
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Kerr-McGee Oil & Gas Onshore, LP, respectfully requests a one year extension for NBU 1021-29J, in order to complete drilling operations. The Utah Division of Oil, Gas, and Mining initially approved this APD on 5/23/2007. Approved by the Utah Division of Oil, Gas and Mining Date: DESCRIBE PROPOSED OR COMPLETED OPERATOR Date: 5 · 28 · 2008 Initials: LS			
NAME (PLEASE PRINT) Kevin McInt	yre	πιε Regulatory	Analyst I
SIGNATURE	ne	DATE 5/12/2008	
(This space for State use only)			

See Instructions on Reverse MAY 2 3 2008

DN: OF OIL, GAG & MINING

RECEIVED MAY 1 3 2008

RESET

4304739012

API:

Application for Permit to Drill Request for Permit Extension Validation

Validation
(this form should accompany the Sundry Notice requesting permit extension)

Well Name: NBU 1021-29J Location: NWSE 1532' FSL & 2192' FEL, Sec. 29, T 10S F Company Permit Issued to: Kerr-McGee Oil & Gas On Date Original Permit Issued: 5/23/2007			
The undersigned as owner with legal rights to drill on tabove, hereby verifies that the information as submitted approved application to drill, remains valid and does n	ed in the previously		
Following is a checklist of some items related to the appending is a checklist of some items related to the appending to the	oplication, which should be		
f located on private land, has the ownership changed, agreement been updated? Yes⊡No☑	, if so, has the surface		
Have any wells been drilled in the vicinity of the proposed well which would affect he spacing or siting requirements for this location? Yes ☐ No ☑			
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes□No☑			
Have there been any changes to the access route inclor- of-way, which could affect the proposed location? Yes			
Has the approved source of water for drilling changed? Yes□No☑			
Have there been any physical changes to the surface which will require a change in plans from what was disevaluation? Yes□No☑			
s bonding still in place, which covers this proposed we	ell? Yes⊠No□		
Lim.	5/22/2008		
Signature	Date		
Fitle: Regulatory Analyst I			
Representing: Kerr-McGee Oil & Gas Onshore, LP			
•	RECEIVED		

MAY 2 3 2008

THE CRIT OF SIL, SAS AND THE

STATE OF UTAH		FORM 9	
DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		5.LEASE DESIGNATION AND SERIAL NUMBER: ML-21330	
SUNDRY NOTICES AND REPORTS ON WELLS		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
	sals to drill new wells, significantly deepen o gged wells, or to drill horizontal laterals. Us		7.UNIT or CA AGREEMENT NAME: NATURAL BUTTES
1. TYPE OF WELL Gas Well			8. WELL NAME and NUMBER: NBU 1021-29J
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONS	HORE, L.P.		9. API NUMBER: 43047390120000
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th S	treet, Suite 600, Denver, CO, 80217 3779	PHONE NUMBER: 720 929-6587 Ext	9. FIELD and POOL or WILDCAT: NATURAL BUTTES
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1532 FSL 2192 FEL			COUNTY: UINTAH
QTR/QTR, SECTION, TOWNSHI Qtr/Qtr: NWSE Section: 29	IP, RANGE, MERIDIAN: Township: 10.0S Range: 21.0E Meridian: S	5	STATE: UTAH
11.	CK APPROPRIATE BOXES TO INDICAT	E NATURE OF NOTICE, REPORT,	OR OTHER DATA
TYPE OF SUBMISSION		TYPE OF ACTION	
	☐ ACIDIZE	ALTER CASING	CASING REPAIR
Approximate date work will start:	☐ CHANGE TO PREVIOUS PLANS	CHANGE TUBING	☐ CHANGE WELL NAME
5/22/2009	☐ CHANGE WELL STATUS	COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ SUBSEQUENT REPORT	☐ DEEPEN	FRACTURE TREAT	☐ NEW CONSTRUCTION
Date of Work Completion:	OPERATOR CHANGE	PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	RECLAMATION OF WELL SITE	RECOMPLETE DIFFERENT FORMATION
SPUD REPORT Date of Spud:	☐ REPERFORATE CURRENT FORMATION	SIDETRACK TO REPAIR WELL	TEMPORARY ABANDON
	☐ TUBING REPAIR	VENT OR FLARE	WATER DISPOSAL
☐ DRILLING REPORT	☐ WATER SHUTOFF	SI TA STATUS EXTENSION	✓ APD EXTENSION
Report Date:	☐ WILDCAT WELL DETERMINATION	OTHER	OTHER:
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Kerr-McGee Oil & Gas Onshore, L.P. (Kerr-McGee) respectfully requests an extension to this APD for the maximum time allowed. Please contact the undersigned with any questions and/or comments. Thank you. Approved by the Utah Division of Oil, Gas and Mining			
		U	ate: May 19, 2009
		В	y: Dolly III
NAME (PLEASE PRINT) Danielle Piernot	PHONE NUMBER 720 929-6156	TITLE Regulatory Analyst	
SIGNATURE N/A		DATE 5/19/2009	



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047390120000

API: 43047390120000 Well Name: NBU 1021-29J

Location: 1532 FSL 2192 FEL QTR NWSE SEC 29 TWNP 100S RNG 210E MER S

Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date Original Permit Issued: 5/23/2007

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not

iire revision. Following is a c	necklist of some items related to the application, which should be verified.
 If located on private land, updated? Yes No 	has the ownership changed, if so, has the surface agreement been
	d in the vicinity of the proposed well which would affect the spacing or s location? (Yes (No
• Has there been any unit or of this proposed well?	other agreements put in place that could affect the permitting or operation $\mathbf{Yes} \ \ $
Have there been any chang affect the proposed location	ges to the access route including ownership, or rightof- way, which could n? 🗍 Yes 📵 No
• Has the approved source o	f water for drilling changed? 🔘 Yes 📵 No
	cal changes to the surface location or access route which will require a was discussed at the onsite evaluation? (Yes (No
• Is bonding still in place, w	Approved by the hich covers this proposed well? Yes No Utah Division of Oil, Gas and Mining
nature: Danielle Piernot	Date: 5/19/2009

Title: Regulatory Analyst Representing: KERR-MCGEE OIL & GAS ONSHORD ALE

STATE OF UTAH		FORM 9	
DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		5.LEASE DESIGNATION AND SERIAL NUMBER: ML-21330	
SUNDRY NOTICES AND REPORTS ON WELLS		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
	sals to drill new wells, significantly deepen o gged wells, or to drill horizontal laterals. Us		7.UNIT or CA AGREEMENT NAME: NATURAL BUTTES
1. TYPE OF WELL Gas Well			8. WELL NAME and NUMBER: NBU 1021-29J
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONS	HORE, L.P.		9. API NUMBER: 43047390120000
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th S	treet, Suite 600, Denver, CO, 80217 3779	PHONE NUMBER: 720 929-6587 Ext	9. FIELD and POOL or WILDCAT: NATURAL BUTTES
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1532 FSL 2192 FEL			COUNTY: UINTAH
QTR/QTR, SECTION, TOWNSHI Qtr/Qtr: NWSE Section: 29	IP, RANGE, MERIDIAN: Township: 10.0S Range: 21.0E Meridian: S	5	STATE: UTAH
11.	CK APPROPRIATE BOXES TO INDICAT	E NATURE OF NOTICE, REPORT,	OR OTHER DATA
TYPE OF SUBMISSION		TYPE OF ACTION	
	☐ ACIDIZE	ALTER CASING	CASING REPAIR
Approximate date work will start:	☐ CHANGE TO PREVIOUS PLANS	CHANGE TUBING	☐ CHANGE WELL NAME
5/22/2009	☐ CHANGE WELL STATUS	COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ SUBSEQUENT REPORT	☐ DEEPEN	FRACTURE TREAT	☐ NEW CONSTRUCTION
Date of Work Completion:	OPERATOR CHANGE	PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	RECLAMATION OF WELL SITE	RECOMPLETE DIFFERENT FORMATION
SPUD REPORT Date of Spud:	☐ REPERFORATE CURRENT FORMATION	SIDETRACK TO REPAIR WELL	TEMPORARY ABANDON
	☐ TUBING REPAIR	VENT OR FLARE	WATER DISPOSAL
☐ DRILLING REPORT	☐ WATER SHUTOFF	SI TA STATUS EXTENSION	✓ APD EXTENSION
Report Date:	☐ WILDCAT WELL DETERMINATION	OTHER	OTHER:
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Kerr-McGee Oil & Gas Onshore, L.P. (Kerr-McGee) respectfully requests an extension to this APD for the maximum time allowed. Please contact the undersigned with any questions and/or comments. Thank you. Approved by the Utah Division of Oil, Gas and Mining			
		U	ate: May 19, 2009
		В	y: Dolly III
NAME (PLEASE PRINT) Danielle Piernot	PHONE NUMBER 720 929-6156	TITLE Regulatory Analyst	
SIGNATURE N/A		DATE 5/19/2009	



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nature: Danielle Piernot	Date: 5/19/2009

Title: Regulatory Analyst Representing: KERR-MCGEE OIL & GAS ONSHORD ALE



GREGORY S. BELL Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA

Division Director

May 24, 2010

43 047 39012 NBU 1021-29 J 105 21E 29

Kerr McGee O&G Onshore LP 1368 South 1200 East Vernal, Utah 84078

Re: APDs Rescinded for Kerr McGee Oil & Gas Onshore LP Uintah County

Ladies and Gentlemen:

Enclosed find the list of APDs that are being rescinded to Kerr McGee Oil & Gas Onshore LP. No drilling activities at these locations have been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective May 24, 2010.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

rancill lason Diana Mason

Environmental Scientist

cc: Well File

SITLA, Ed Bonner



Natural Buttes Unit 1022-24I	43-047-39031
Natural Buttes Unit 1021-29L	43-047-39009
Natural Buttes Unit 1021-29O	43-047-39010
Natural Buttes Unit 1021-29N	43-047-39011
Natural Buttes Unit 1021-29J	43-047-39012
Natural Buttes Unit 1021-29K	43-047-39013
Natural Buttes Unit 1021-29G	43-047-39015
Natural Buttes Unit 1021-29F	43-047-39016
Natural Buttes Unit 1021-29E	43-047-39017
Natural Buttes Unit 1021-29C	43-047-39018
Natural Buttes Unit 1021-29A	43-047-39019
Natural Buttes Unit 1021-29P	43-047-39110

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